

CENTRAL INTELLIGENCE AGENCY

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## NOTES ON THE NORTHEAST LIBERATED AREAS

# I. RESOURCES, RAIL COMMUNICATIONS, AND INDUSTRIES IN CCP-CONTROLLED SECTIONS OF THE NORTHEAST

**Ch'en Yüan**

I should like to help the reader to understand the geographic position occupied by China's border regions today, since these areas and their problems are closely related to the problem of securing world peace. The term "border regions" really includes such areas as the Northeast, the several provinces of Inner Mongolia, Sinkiang, Tibet, Yunnan, Taiwan and Hainan-Tao. These areas maintain their own respective social, economic, and racial characteristics.

A. What Type of Area is the Northeast?

The Northeast is characterized by high economic value, domestic difficulties, and foreign complications. It also affords excellent possibilities for emigration from other parts of China because of its level and rich land, which totals about 1,100,000 sq km or almost one-tenth of China's total land area. The population of the Northeast, on the other hand, is about 30 million people, or roughly seven percent of China's total population. The economic value of the Northeast is significant because of the abundant agricultural production, vast mineral resources, and excellent possibilities for hydroelectric power that already characterize this region. Industrial development has also proceeded on a far more modern scale than in the other border regions.

It has become very difficult to handle the internal administrative affairs of the Northeast. This area was controlled by the Japanese for 14 years. When the war ended, the KMT rushed troops in by land, sea, and air to regions which

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were already in the hands of our guerrilla forces. A people's army swiftly organized to meet this KMT threat. That is why today one still finds Japanese enemies, Chinese bandits, and other Fascist remnants here, who have concealed and disguised themselves, fighting desperately against the democratic peoples. Thus, this troubled situation has indeed made it difficult to maintain control over the Northeast.

America has been a major cause of the complicated state of international relations. Towards the end of the 19th Century, the Open Door Policy was set forth by America in order to control the development of China's Northeast area. Today, America is the strongest power in the world. She will certainly desire to continue in the future control of a considerable part of the Pacific Ocean's western shores. The socialistic Soviet Union, desiring to secure the safety of her borders, naturally seeks some assurance that the border region will remain inviolate. If, for example, the germs of Fascism were allowed to grow unchecked in the fertile lands along the seacoast of the Northeast area, this foothold might be utilized as an invasion route into the Soviet Union. Since such a move would constitute a grave threat to world peace, this area should be the concern of peace-loving people throughout the world.

#### B. Changes in the Map of the Northeast

After the Japanese invaded Northeast China, they grabbed all of Jehol, part of Chahar, and the other northeastern provinces, and transformed them into the puppet state of Manchoukuo, dividing this great area into 19 provinces. After World War II ended in victory, the three provinces that originally made up Manchuria, Liaoning, Heilungkiang and Kirin, were re-divided into nine provinces. Jehol and Chahar reverted to their former status.

The largest of these nine provinces is Hsangan (in the northwest corner), while the smallest is Antung (in the south). Liaoning has the greatest population, while Hsangan has the smallest.

Well-known cities, which constitute important administrative centers in the Northeast, are Shen-yang (Mukden), Ch'ang-ch'un (Hsinking), and Ha-erh-pin (Harbin). These cities are all located on the extensive Manchurian plain.

#### C. How Many People Can the Northeast Support?

The entire Northeast comprises an area of one million sq. km. and has a population of about 30 million people. The average population density is 27 per sq. km. The density in China proper is 45 per sq. km. Arable land occupies 44 percent of the total land area, but only 56 percent of this arable land has been cultivated to date. A still larger population could be supported by utilizing the large amount of arable land that still remains to be cultivated.

When the Japanese occupied the area which is now demarcated by the nine provinces, the Research Department of the South Manchuria Railway Company investigated possibilities for emigration into Manchuria. According to their estimates, Manchuria can support a maximum of 120 million or one-fourth of the entire population of China. This figure is certainly exaggerated to some extent. However, several geographers have recognized the fact that, if the Northeast experienced a great agricultural and industrial development, from 60 to 100 million people could be supported there.

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D. Abundant Resources

The iron reserves in the Northeast make up about one-half of the entire iron reserves throughout China. The estimated coal reserves for the nine Northeastern provinces vary from a minimum estimate of 3 billion metric tons to a maximum of 20 billion metric tons. This latter figure appeared in a 1943 publication of the Japan Situation Maps (Nihon Kokusei Zukai), Plate 290. Two famous coal mines are located at Fu-shun and Pen-ch'i-hu. Yearly coal production in the Northeast has already surpassed 10 million metric tons.

Oil is still another source of power. In the Northeast, oil is derived from oil shale which forms the top layer of the Fu-shun coal seams. This oil shale reaches a thickness of 140 meters, and reserves have been estimated at 5,400 million tons. The Japanese South Manchuria Railway Company worked for 20 years and expended 500,000 yen in research efforts to obtain oil from these oil-bearing rocks. The oil shale has only recently demonstrated its economic value. At present, the annual crude oil output is 69,000 tons.

The Northeast has many potential sources of hydroelectric power which have not been completely surveyed. The Ta-feng-man power plant, located on the Sung-hua Chiang (Sungari) near the Korean border, and the Ching-po Hu power plant, located in Sungkiang Province, were put into operation by the Japanese invaders during the first period of their 5-year industrial development plan. The installed capacity at Ta-feng-man is about 360,000 kw, while that at Ching-po Hu is probably somewhat over 300,000 kw. During the second period of industrial development, the Japanese established the Suiho hydroelectric plant on the upper reaches of the Yalu River, with a proposed equipment capacity of 360,000 kw. The nearby Ta-feng-man plant was to generate 450,000 kw, and Hun-chiang hydroelectric plant was to have a proposed equipment capacity of 200,000 kw. By the end of the war, over 1,800,000 kw of hydroelectric power had been generated in the nine Northeastern provinces.

After the economically valuable hydroelectric power plants had been established, a number of thermal power plants (using coal) were also put into operation in the Northeast. By the end of the war only 480,000 kw of thermal power were being generated.

Fortunately, this area possesses an iron reserve of 1,100 million metric tons. Surveys of the entire area's iron reserves have not been completed. Well-known iron ore centers are located at An-shan, Kung-Ch'eng-ling, and Miao-erh-kow. The iron reserves in this area were not seriously considered in the past, because the iron ore was generally of such a coarse, inferior quality that only 53 percent of the ore was extractable. However, the Japanese discovered that this extractable iron content could be increased to as much as 70 percent by adding hydrocarbon to the inferior ore. This discovery proved for the first time that the iron ore produced here could be of significant economic value.

The two most influential iron-mining corporations controlled by Japan were the Showa Steel Works, formerly the An-shan Iron Works, and the Pen-ch'i-hu Colliery and Iron Works, which was supposedly under the joint control of Japan and the Manchoukuo government. The Showa Steel Works was originally expected to produce one million tons of iron ore yearly. However, due to various unfavorable factors, it was still only producing 280,000 tons yearly by the end of the war.

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E. Colonial-Type Industries

Although the Northeast possessed the above-mentioned resources, it was developed with the idea of its becoming a colonial or semicolonial region. Therefore, the Northeast does not have any large-scale industries producing heavy machinery, precision instruments, and chemicals. The exploiters of the Northeast, like all exploiters in general, utilized the natural resources and cheap manpower there in order to manufacture the products that would benefit themselves. A Japanese geographer, Tsunoi Yasukazu, in his book, "The Geography of Japan's Spectacular Colonization," No 89, made the following statement: "The products that Japan seeks from Manchuria are not agricultural products, but rather industrial raw materials such as cotton, wool, oil, light metals, etc. The cotton that has heretofore been produced in Manchuria, due to its coarse and short-fiber quality, has proved unsatisfactory as a raw material for the Japanese spinning industry. Therefore, we must greatly improve the quality of this cotton so as to make it acceptable for Japanese importation, do our best to cut down production expenses, and find ways to increase production."

The so-called big three industries in Manchuria, up to the present time, have been: (1) manufacture of oil from soybeans; (2) extraction of oil from bean residue; and (3) fermentation of wine from kaoliang. Wheat is also used by the milling industry. These three important industrial raw materials (soybeans, kaoliang, and wheat) are three of the five main agricultural products of Manchuria.

The oil extraction industry centers about Ta-lien (Dairen), Ying-k'ow, An-tung, Shan-yang, K'ai-yüan, and Ha-erh-pin. During the war, the alcoholic distilleries in Ha-erh-pin were converted into gasoline refineries. Liaoning has been a famous center for ordinary alcoholic distillation since olden times. The greater part of the milling industry is located in the northern part of the Northeast because of the comparative prevalence of raw materials there, and the fact that the south has to meet foreign competition.

F. Productive Wilderness

The Northeast might be considered a productive wilderness in two different senses; the rich, uncultivated soil here represents a potentially profitable agricultural development, while the vast area occupied by virgin forests provides the basis for flourishing lumber and paper industries at some future date.

The most important agricultural products in the Northeast are soybeans, kaoliang, millet, maize, and wheat. These are generally known as the five important agricultural products of the Northeast.

After the Japanese occupation of the Northeast, the cultivation of cotton was started in the Liao-yang, Hai-ch'eng, I hsien, and Chin-chow areas. Yearly production has already reached 23,000 metric tons.

It has been generally estimated that forests occupy 36 percent of the land area. According to the Japanese estimate, published in 1943 in the Japanese Situation Maps, forests occupied only 15 percent of the total land area. The amount of timber reserves in the forest area has been estimated at 15 billion shih (a shih is the equivalent of a section of timber one foot in diameter and 10 feet long). Recently the amount of timber felled has reached 12 million shih yearly.

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G. Communications System

The communications system is built around the railroads. While there are a considerable number of large waterways, the very long periods during which they are frozen renders them of negligible communications value.

About the time of the 18 September 1931 Manchuria Incident, the total length of railways in Manchuria was 6,000 km. There were three parties holding ownership:

1. The Chinese Eastern Railway owned 1,700 km.
2. The South Manchuria Railway owned 1,100 km.
3. China owned more than 3,000 km.

This figure of 6,000 km of railways represented one-third of all railways in China. However, as a result of the 14-year Japanese occupation, there are over 10,000 km of railways.

One of the principal railways running completely throughout the Northeast is the Chinese Ch'ang-ch'un Railway, the greater part of which was formerly called the Chinese Eastern Railway. The Treaty of Friendship and Alliance between China and the USSR, ratified 25 August 1915, stipulated that the main trunk lines of the Chinese Eastern Railway and the South Manchuria Railway were to be united under the name of the Chinese Ch'ang-ch'un Railway. The principal line of this railroad enters the Northeast provinces from the Soviet Union, and re-enters the Soviet Union after leaving the Northeast. This railroad line enters Chinese territory at Lu-pin (Manchouli) which has become the primary outlet for foreign communications. Lu-pin formerly played no part in export trade considerations since it was considered closed to the outside world. The railroad line leaves the Northeast via the secondary foreign outlet, Sui-fen-ho, on its way to Vladivostok, the great eastern port of the Soviet Union. Historically speaking, a considerable amount of exports were sent to Vladivostok via Sui-fen-ho.

The two most important outlets depend upon the Soviet Union. The third most important outlet, which is located north of the Chinese Eastern Railway, also affords entry into the Soviet Far East by linking up with the Siberian Railroad. This outlet is presumably at Hei-ho. Thus, three of the six foreign outlets of the Northeast communicate with the Soviet Union.

The following three outlets afforded means of outside communications for Japan during the war: (1) T'u-men, which communicated with various ports in Korea such as Ch'ongjin, Unggi, and Najin; (2) An-tung, which communicated with Korea; (3) Ta-lien, which provided an outlet to the sea.

An-tung and Ta-lien were linked with the interior of Manchuria by the South Manchuria Railway. Behind Ta-lien lies Shen-yang and Ch'ang-ch'un; behind An-tung lies Su-chia-t'un, a railway station located south of Shen-yang. The principal line of the South Manchuria Railway started at Ta-lien and proceeded via Ta-chih-ch'iao, Su-chia-t'un, Shen-yang, and Sau-p'ing-kai to Ch'ang-ch'un. A branch line of the South Manchuria Railway was recently established from An-tung to Su-chia-t'un. Chi-lin (Kirin) and Ch'ang-ch'un are located behind the final outlet, T'u-men. They are linked with T'u-men via the Chi-tun Railway (Chi-lin to Tun-hua), which has an extension going as far as T'u-men (Tun-hua to T'u-men). The center of the Chinese Eastern Railway is at Ha-erh-pin; and Ch'ang-ch'un is the terminus for the South Manchuria Railway. These two points are linked by a branch of the Chinese Eastern Railway.

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There are many railroads which traverse the area between these two principal railways and the six outlets discussed above. Among these, there is the Pei-Ning Railway (between Pei-p'ing and Shen-yang) which provides land communication between North China and the Northeast. This railway runs through Shan-hai-kuan and the Great Wall. It is also possible to take a water route from the Northeast to North China. Many bloody battles have been fought along the Pei-Ning Railway.

#### H. A New Era

The signing of a Treaty of Friendship and Alliance between China and the USSR in Moscow on 14 August, 1945 has guaranteed that the Northeast will never again be ravaged by war at the hands of Japanese Fascist remnants. This Sino-Soviet Treaty provided for the joint ownership of the Chinese Ch'ang-ch'ua Railway by China and the USSR. It agreed to joint use of Lih-shun (Fort Arthur), and declared Ta-lien a free port. The object of this treaty was to prevent a resurgence of Japanese Fascism, and also establish a just basis for cooperation between the peoples and governments of China and the Soviet Union.

## II. SOME FEATURES OF THE CCP SETUP IN THE NORTHEAST LIBERATED AREAS

Staff Writer

### A. CCP-Controlled Areas

The democratic government (CCP) now controls 70-80 percent of the over-all land area of the nine Northeastern provinces. There are a total of 156 cities and towns, of which 130 are under its control. (These figures are based on incomplete statistics compiled as of June 1947.)

The portions of the area not controlled by the CCP are the long narrow corridors through which pass the Chinese Ch'ang-ch'ua Railway and the Pei-p'ing-Liaoning Railway, and a few large cities like Ch'ang-ch'ua and Sau-p'ing.

The nine provinces of the area are: Sungkiang, Hokiang, Hsingan, Heilungkiang, Nenkiang (the latter two have a combined office), Liaopoh, Liaoning, Antung, and Kirin. The first four are completely under our control. Mu-tan-chiang is a special district directly administered by the central CCP government while Har-ch-pin is a special municipality.

The communications system in the Northeast is the best in all of China. As now July 1947 control more than 7,300 km of railway lines. Public highways cover the area like a spider's web. Furthermore, navigation is possible on all sections of the Hei-lung-Chiang.

### B. Popularly Elected Democratic Government

A popularly elected government has already been established. In August 1946 representatives of all nine provinces attended a joint democratically-conducted conference which resulted in the establishment of the Northeast Executive Committee, consisting of 27 members. This number included members of the Communist Party, the Democratic League, the progressive faction of the KMT, and Mongolians who did not belong to any party or faction. The chairman of the Executive Committee is Lin Feng, and the two vice-chairmen are Chang Hsueh-sau and Mao Ch'ung-min.

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G. Application of "Land for the Tiller" Policy

The enforcement of the policy of "land for the tiller" is being extended. According to incomplete statistics compiled before 1946, 26 million mou of land (6.6 mou equal one acre) have already been distributed among five million peasants.

D. Inducements to Increase Agricultural Production

Various measures have been taken to increase production, and these have met with considerable success. It was announced that 100 million yuan would be given to farmers as rewards for outstanding achievement. Great enthusiasm and competition were aroused. Farmers, homes, and villages which met the requirements were awarded flags and badges for display and were praised on public bulletin boards. Women laborers and homemakers also participated in the awards. Previously-uncultivated land was put under cultivation. Mutual aid groups were fostered to expedite the hoeing of the crops. Hoeing was started by as much as 15 days earlier in some areas, and cultivation completed much more quickly than in other years. In five hsien in Heilungkiang and Wenkiang, some 800 women helped with the hoeing, as well as groups of primary school pupils and other auxiliary workers. Formerly, the objective was "extensive" cultivation; now, it is "intensive" cultivation.

Much use is made of popularized slogans such as "sow much, reap much," "uproot poverty, plant riches," "don't allow one acre to lie fallow," and "the more the cultivation, the bigger the harvest."

E. Inducements to Increase Industrial Production

Industrial production is also being restored rapidly in spite of the destruction suffered during the war. The various railway shops, at Ha-erh-pin and elsewhere, instituted production competitions with awards and various kinds of inducements to the workers, with the result that production in some places was increased by as much as 400 percent. In another place, in order to overcome the critical shortages of railway equipment and supplies caused by the hostilities, the workers themselves, under the influence of various material and moral inducements, devised some 195 different items of substitute materials or tools. About 270 workers were awarded recognition for meritorious performances. In the Hsiao-kang coal mines, with the same number of laborers, they now produce five times as much as under the puppet regime.

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